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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000655

SIPDIS

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TAGS: PGOV PREL ECON EINV IZ SUBJECT: MUTHANNA: NEW PC LEADERS FOCUS ON DELIVERING

SERVICES, FIGHTING CORRUPTION

REF: A. A. BAGHDAD 588 ¶B. B. BAGHDAD 583 ¶C. C. BAGHDAD 417

¶D. D. BAGHDAD 306 ¶E. E. BAGHDAD 292

Classified By: Senior Advisor Gordon Gray for reasons 1.4 (b) and (d).

Summary

11. (C): The Senior Advisor for Southern Iraq and Provincial Reconstruction Team (PRT) officers held separate meetins with representatives from three of the leading winning political lists in Muthanna on March 9. The next governing coalition will be led locally by Prime Minister Maliki's Da'wa-based State of Law coalition. The exact governing coalition is still in flux, but appears to include ex-Prime Minister Ibrahim Ja'afari's National Reform Trend, the Sadrist Tayar al-Ahrar slate, and two small independent/tribal lists. Abdelmunim Salih al-Shara, leading candidate from National Reform Trend, said he was the leading candidate for PC chairman. Abdelmunim promoted an anti-corruption agenda, including investigations into the corruption of previous PC members and other provincial officials. All the PC members stressed the need for investment, improved services and partnership with the PRT and the USG in general. End summary.

Da'wa in, ISCI Out

(SBU) In the recent provincial elections, Prime Minister Maliki's State of Law list garnered the highest vote percentage of any party (10.9 percent, ref C), a trend seen through almost all the Shi'a south (ref D). Because of the manner in which seats are allocated, State of Law won five of 26 seats on the new PC, the same number as the second-place Islamic Supreme Council of Iraq (ISCI). With Ja'afari's National Reform Trend (three seats) and Sadr-endorsed Tayar al-Ahrar (two seats) coalescing into a core coalition with Da'wa throughout most of the south (ref B), achieving a governing coalition is a much easier proposition for Da'wa than for ISCI.

Final Coalition, Leadership Not Yet Set _____

13. (C) Shakir Khaleel Efraikh al-Mayali, PC member-elect from State of Law, was hesitant to describe the parties that will join the next governing coalition, but was confident that the next governor will come from Da'wa. (Note: Separate discussions with PRT contacts reveal that the next governor may be appointed from outside the winning PC, and may indeed come from Da'wa. End Note.) Shakir Khaleel, a political neophyte with close ties to Maliki, also mentioned that he is having discussions with Baghdad and the Prime Minister's political representatives on coalition negotiations. Lateef

Hassan Abbas al-Hassani from ISCI noted that his party has been excluded from negotiations, a claim consistent with other reporting (refs A and B). Lateef, a UK citizen and brother of slain former Governor Muhammad Ali al-Hassani, said that he tried to assemble a province-specific coalition but was powerless, given the degree of control from Baghdad over local party members.

- 14. (C) Abdelmunim Salih al-Shara from the National Reform Trend was more open on the subject of which parties will form the governing coalition. He believes that the Da'wa-based State of Law and his National Reform Trend (a Da'wa offshoot) will form the core coalition, along with three smaller parties with two seats apiece -- the Sadrist Ahrar list, the Middle Euphrates Gathering, and possibly the Independent Iraqi Skills Gathering. This would yield a coalition of 14 seats, a bare majority. Abdelmunim, who fled Iraq in 1991 after his family participated in the uprising against Saddam, Qafter his family participated in the uprising against Saddam, is a U.S. citizen; his family still lives in California.
- 15. (C) This governing arrangement is somewhat different from that reported earlier (ref A), reflecting ongoing negotiations. The State of Law representative, who declined to predict the governing coalition, did mention that the coalition would be announced shortly after the judicial certification of results, currently scheduled for March 18. The wildcard in these negotiations is the current governor's party, Al Jumhoor. Governor Marzook, an independent, can change coalition loyalties with few penalties, depending on who is in power. We believe there is a high likelihood that Al Jumhoor will attempt to curry favor with whatever winning coalition emerges from the negotiations.

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Services, Investment, Anti-Corruption

16. (C) The PC members all focused to a greater or lesser extent on improving investment opportunities in Muthanna, especially from U.S. sources. Shakir Khaleel noted that Muthanna needs a "double helping" from the U.S. -- i.e. government assistance and investment. He also claimed that the U.S. had an "ethical responsibility" to use cooperative projects to erase what he said was a bad image among some in the province. Shakir Khaleel then defined cooperation as projects that the population could touch and feel for itself. The PRT Team Leader pointed out that the U.S. had already pumped more than \$ 160 million into reconstruction projects in Muthanna, including the entire Eastern Barracks facility outside Samawah used for the day's meetings. Shakir Khaleel thought that word of these cooperative investments was not reaching the populace. ISCI representative Lateef predicted that, if the U.S. and other friendly countries do not invest heavily in Muthanna and the rest of Iraq, unfriendly ones such as Iran will continue to do so (ref E).

- 17. (SBU) All discussed, to a greater or lesser extent, the importance of providing greater services to the people of Muthanna. Shakir Khaleel mentioned that the Sadrists elected to the PC are especially interested in services, and that their backgrounds as engineers may make them helpful in the process.
- 18. (C) Abdelmunim (National Reform Trend) spoke at length about the need for greater anti-corruption efforts. He claimed to have declined an offer years earlier to become governor and believes that he can forward an anti-corruption agenda best through the PC chairmanship. Other PRT contacts have also tipped Abdelmunim as the probable PC chairman, though he stressed that nothing will be official until after the judicial certification on March 18. His anti-corruption deputy on the next PC will be Sheikh Hakim Khazal Khashan, leader of the Middle Euphrates Gathering. One of only six

returning PC members, Sheikh Hakim has made anti-corruption a central issue in his party's platform. What steps will be taken is still an open question, although Abdelmunim mentioned inquiries and investigations into corruption allegations, with a specific interest in the corrupt activities of former PC members and other high-ranking provincial officials.

Comment

19. (C) The newly-elected PC members are beginning to realize that the electorate will judge them on what they can provide in services and economic development. Some of that, they believe, will come from USG-funded projects, but since such reconstruction projects will be fewer in the coming months, provincial leaders will need to look to the GOI for funding. The PRT will continue to provide training and other capacity-building, as appropriate, to support the PC as it commences its work. The anti-corruption platform announced by Abdelmunim, if implemented judiciously, provides an opportunity to bolster rule of law and transparency in a place where it had been lacking. End comment.